

100 Days and culture, tourism and sport

Purpose

Ahead of the general election, this report takes stock of the LGA's 100 Days campaign and how culture, tourism and sport stands to benefit from our programme for radical reform of public services and local government funding.

Summary

Recommendation

Members are invited to discuss and give any further steer on the issues raised in paragraph 18.

Action

To be taken forward by Officers as directed by Members.

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Background

1. At the 2014 LGA Annual Conference, LGA launched the 100 Days campaign and published *Investing in our Nation's Future: The First 100 Days of the Next Government*. Based upon extensive consultation with local government, the campaign focuses on some of the practical steps any new government needs to take to transform public services and help meet the funding challenges we still face. The policies in the 100 days document are fully costed and could save £11 billion on the cost of the public sector and empower local communities to have a real say in their own future.
2. The work of any new government must be underpinned by a number of principles if the reforms LGA set out in 100 Days are to truly transform public services:
 - 2.1 More devolution of power to elected councillors to enable them to rewire public services.
 - 2.2 Community Budgets as the preferred local delivery mechanism for government departments.
 - 2.3 Financial settlements tied to the lifetime of Parliament for all of the public sector.
3. To maintain momentum ahead of the general election, LGA has recently launched the Future Funding and DevoNext campaigns.

100 Days

4. The 100 Days campaign has helped to frame the work of the Culture, Tourism and Sport Board this year. The table below summarises the links between the 100 Days proposals and the benefits they could deliver for culture, tourism and sport.

Proposal	Better outcome made possible	Link to culture, tourism and sport
Refocusing employment, skills and back to work support by merging councils and Jobcentres	Help reduce long-term unemployment by a third	Ensure that skills training and apprenticeships for young people better matches local economic need, including culture, heritage, tourism and sport
Strengthening the central role of councils in integrated welfare, employment and skills support	Help reduce long-term unemployment by a third	
Consolidating and devolving funding to councils for local youth transition services	Halve youth unemployment and help young people contribute to the economy	
Devolving economic powers and all growth, regeneration, skills and employment funding through	Boost the delivery of jobs, housing and growth through a coordinated	Greater flexibility to prioritise and incentivise investment in local growth sectors,

Proposal	Better outcome made possible	Link to culture, tourism and sport
councils to LEPs	local approach	including culture, the visitor economy and the creative industries
Giving all councils in England the same traffic management powers as London and Wales	Councils can help tackle the disruption, costs and around three quarters of a billion kilograms of unnecessary greenhouse gasses caused by congestion	A good transport infrastructure and high quality environment is essential for the visitor economy
Allowing councils to set fees, charges and subsidies	Councils can support those who need it most	Increase councils' ability to encourage culture and sporting participation
Letting councils set rates and discounts for council tax and business rates	Councils can better respond to local circumstances	Increase councils' ability to incentivise local growth sectors, including the visitor economy
Allowing councils to retain 100 per cent of business rates growth	Councils are further incentivised to grow local economies	
Launching a better roads fund funded by localisation of 2p in every litre from existing fuel duty	Address the road repair backlog and improve the state of our roads	A good transport infrastructure is essential for the visitor economy
Enabling Health and Wellbeing Boards to commission primary, secondary and social care services	Everyone has access to a seamless health and care service	Culture and sport are increasingly being commissioned by health and social care to help achieve wellbeing outcomes
Giving councils powers to address local public health challenges	Councils are better equipped to tackle issues such as obesity or excessive drinking	Councils will be better able to work with local partners to encourage people to get more active
Allocating a fifth of the VAT from soft drinks, fast food and confectionery, and a fifth of duty from tobacco and alcohol	Councils can better help overweight and obese children, help people live healthier lives and tackle the harm caused by smoking and excessive drinking	The money would be reinvested in local physical activity opportunities
Announce a fundamental review of the NHS tariff system to unlock a potential five per cent saving on	Incentivise prevention, not treatment, keeping people healthier throughout their	Councils and health partners would have greater flexibility to invest in culture and sport

Proposal	Better outcome made possible	Link to culture, tourism and sport
NHS acute spending through moving to a more preventative approach	lives	as part of a more preventative approach to health care
Rewarding volunteers with a small discount in council tax	Recognise the important contribution of volunteers	Greater recognition will help to retain volunteers, who play vital roles in the arts, heritage libraries, museums and sport

Future Funding

5. At the LGA's annual Finance Conference on 6 January, Cllr David Sparks OBE, LGA Chair, launched the Future Funding campaign, which will run up to the 2015 Spending Review. The campaign will focus on the frontline impact of spending cuts for local communities. With councils facing a fall in core central government funding of 40 per cent by the end of this Parliament and having made £20 billion worth of savings since 2010, there is limited scope to keep protecting services through making further efficiency savings. If spending reductions follow a similar pattern in the next Parliament, councils will be facing a £12.4 billion funding gap by the end of the decade.
6. The campaign has already highlighted that even if adults', children's and waste services were protected for social care authorities, funding for 'other' activities – including libraries, sport, the arts, heritage, community centres and bus routes – would fall by £11 billion by 2020. In cash terms, this represents a cut of nearly 50 per cent. But for some councils the reduction would be as high as 81 per cent.
7. The campaign will present a radical agenda for reform that includes whole-place budgets, fully funded social care and new ways in which councils can raise income to plug the funding gap. CTS Lead Members have asked officers to consider the tourism industry's long-standing ask that a reduction in tourism VAT would help to boost the visitor economy. Officers will feedback at the meeting and seek a steer on the next steps in the context of the LGA's funding campaign.

Devolution

8. The CTS Board has highlighted the links between the Magna Carta 800 anniversary and the LGA's campaign to reverse years of centralising control. We argue that a financially sustainable, democratically healthy system depends on proper devolution of powers to the local level, so that those who best understand the needs of a particular area have the powers they need to address them.
9. As devolution continues to gather place across the country, the LGA Executive has agreed that the City Regions and People and Places Boards will lead the detailed work of shaping a vision and route map for achieving devolution within the UK over the course of the next parliament, drawing upon the work of the other Boards. The LGA's DevoNext online resource gives detail about what powers councils have

already been given and what they are doing with these powers, as well as tools to help councils negotiate further devolution.

10. The devolution debate has mainly focused on growth, skills, transport and infrastructure. This is because the deals have been driven by Combined Authorities, which have a statutory footing and operate to promote the economic development of an area and must be comprised of councils forming a functional economic area. As has already been stated, culture, tourism and sport stands to gain from these changes. But there are signs that culture and the visitor economy will play an increasingly visible role in negotiations between local and central government.
11. For example, Greater Manchester's devolution deal recognises the vital role of culture in regenerating place and boosting growth, and included £78 million of central government funding to help create the Factory theatre and exhibition centre.
12. Similarly, North East councils have for many years highlighted the critical importance of the visitor economy to the region's economic fortunes and worked together to strengthen place brand. The North East Combined Authority's prospectus for devolution, published in January 2015, calls for "devolved business support budgets, delivered through a coordinated North East Business Growth Hub; joint accountability for UKTI activity in the region; devolved funding from re-investment of the region's Access To Finance programme; and new powers and funding to support our vibrant culture and visitor economy."
13. The proposed plan for a Derby and Derbyshire Combined Authority highlights how an integrated approach to economic development and transport across 10 local authorities would benefit the visitor economy and strengthen partnership working with the LEP. We can expect to see further developments in non-Metropolitan areas as more Combined Authorities and other similar arrangements are formed across the country.
14. The devolution arrangements in Scotland and Wales provide a useful starting point for considering what powers and funding English local government might ask for. In terms of this Board's direct policy interests, the 2012 Silk Commission on Devolution to Wales, and the 2014 Smith Commission on further devolution of powers to the Scottish Parliament, both called for the devolution of Air Passenger Duty (APD). The underpinning analysis for both commissions recognised the potentially negative impact on English tourism. Some English councils and tourism businesses have expressed significant concern at the Scottish Government's planned 50 per cent reduction in APD. The Smith Commission also called for a formal consultative role for the Scottish Government and the Scottish Parliament in the process of reviewing the BBC's Charter.
15. The LGA's recent 2015 budget submission was clear that greater power must be devolved to local communities through their democratically elected local representatives so they can decide how their services should be run. The submission also emphasised the importance of Ministers following through on their commitment to devolve the spending decisions for European Structural Investment Fund to the 39 LEP areas. CTS Lead Members have highlighted the importance of this for councils' ability to growth the local visitor economy.

16. Devolution also means that the Department for Culture, Media and Sport and its agencies are starting to operate in a very different sub-regional landscape, and this might be an area Members feel there would be value in exploring further. For example, in their response to the Culture, Media and Sport Committee's inquiry into Arts Council England, the Core Cities made the case for the devolution of cultural budgets as part of a placed based approach to local funding and floated the suggestion that this should include national lottery funding.

Independent Commissions

17. In addition, the LGA has contributed towards or commissioned a number of independent reviews to help set the policy agenda ahead of the general election on devolution, public service reform and local government finance.
- 17.1 In October 2014, the RSA's City Growth Commission published its final report and concluded that devolution of growth, skills, infrastructure, planning and some taxes would unlock huge economic benefits for cities. Although the visitor economy and culture are not mentioned explicitly, the sector stands to gain from the Commission's vision for devolution.
- 17.2 In May 2014, the LGA set up the Independent Commission on Economic Growth and the Future of Public Services in Non-Metropolitan England to seek ways to stimulate economic growth regionally, create new jobs and help people live their lives better. The Commission published its interim report in November 2014 and the final report will be published shortly. One of their emerging views is that government needs to continue with its current direction of travel and devolve more transport funding decisions to LEPs and councils. But, according to the Commission, this also needs to reflect the policy debate on the role of regional airports in global trade and tourism in the light of the emerging findings of the Airports Commission and others. The Commission also highlights the importance of digital infrastructure to tourism businesses and believes that government and business need to work together on the next generation of digital connectivity while there is time to do so.
- 17.3 In June 2014, the LGA and the Chartered Institute for Public Finance (CIPFA) commissioned an independent review to make recommendations for the reform of local government finance and find better ways to fund local services and promote economic growth in England. The Commission published its final report on 18 February. The recommendations include single-place budgets and devolving more taxes to sub-national areas, including stamp duty, airport taxes and tourism taxes. This would give local partners and business much greater ability to influence fiscal levers in support of the visitor economy.

18 Members are invited to:

- 18.3 Share how devolution conversations are developing in your local areas and what role, if any, culture, tourism and sport are playing?**

3 March 2015

- 18.4 Give any further steer on how we can maximise the opportunities for culture, tourism and sport to benefit from the LGA's campaign asks in the run-up to the 2015 Spending Review?**
- 18.5 Consider whether there is value in further work to map the impact of devolution on both councils' investment in, and support for, culture, tourism and sport, and councils' relationship to the DCMS agencies?**

19 Next steps

- 19.1 The next Culture, Tourism and Sport Board is 22 June 2015 and it is suggested that Members reflect upon the Board's lobbying priorities in the light of the general election and the LGA's vision for devolution.

Financial Implications

There are no financial implications arising from this report.